



On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

American Recovery and Reinvestment Act Report, Watauga County

Watauga County received more than \$54 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Watauga County total.



Pell Grant Awards:
3,528



Small Business Jobs:
45

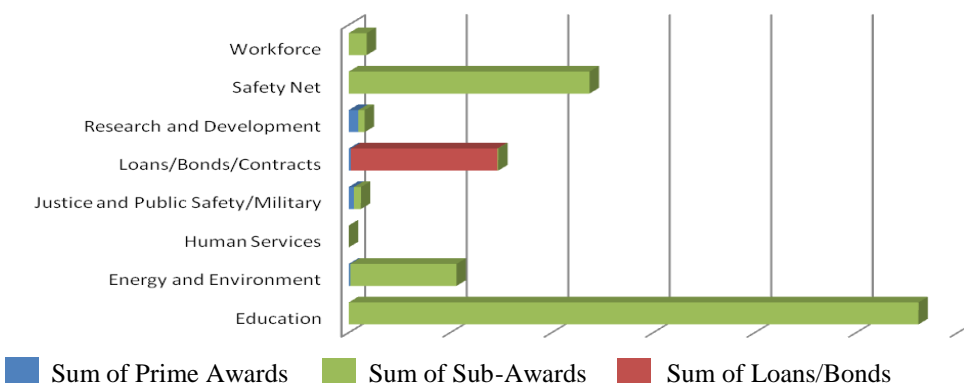


Appliances rebated:
116



Family homes financed:
19

Watauga County Totals



Watauga County,
pop X at a glance:

Recovery Act Totals:

Grants: \$46,977,510

Loans: \$5,868,562

Bonds: \$1,351,726

Total: \$54,197,798



The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

Watauga County schools received \$36.5 million in education funding, including \$919,576 in Special Education funds, \$334,836 in Title I funds, \$27.4 million in SFSF funds, \$248,868 in Race to the Top funding and a \$1.3 million bond allocation.

Pell Grants are an educational Assistance Program that provides grants to eligible students to receive post-secondary or vocational training. Because Pell Grants are not student loans, they allow students to receive financial assistance to further education and training without incurring additional debt. The American Recovery and Reinvestment Act increased the eligibility and the maximum amount of Pell Grants in 2009 and 2010 as a way to encourage educational opportunities, and to provide a way for eligible applicants to gain new job skills.

In Watauga County, institutions had 3,528 students funded by Pell Grants; these grants were worth more than \$6.2 million.



The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

In Watauga County, 19 families received assistance through this program totaling more than \$3.2 million.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term

savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

Watauga County retailers sold 116 appliances through the Energy Star Appliance rebate program.



Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

In Watauga County 10 small businesses received SBA loan guarantees worth almost \$2.5 million. According to the small businesses receiving these loans, the Recovery Act saved or created 45 jobs.



Farm Assistance

The Supplemental Revenue Assistance Payments (SURE) Program is administered by the Farm Services Administration in the federal Department of Agriculture, which provides assistance to farmers suffering crop losses due to natural disasters. To qualify for the program a farm must have lost at least 10% of one crop during a natural disaster in a declared disaster county, or lost 50% of a crop during a disaster in a non-disaster county. North Carolina farmers received more than \$9 million in total payments under the ARRA-Funded SURE Program.

In Watauga County, \$557 was received in assistance to farmers because of crop loss to natural disasters.



CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through

the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

In Watauga County, car dealers sold 194 cars worth \$5 million through the ARRA CARS program.



Justice and Public Safety Programs

ARRA increased funding to the federal Byrne Justice Assistance Grants Program (JAG). JAG funds were awarded both as a formula allocation to the State, for \$34.5 million, and grants distributed by the Governor's Crime Commission to various local governments and entities. In addition, \$21,853,798 went to 216 local governments across the state for various purposes in line with the requirements of the act. Finally, there is a federal competitive portion that was open to state or local government applicants.

In Watauga County, the North Carolina Administrative Office of the Courts received a \$250,000 grant to help combat drugs. The Town of Boone received a JAG program grant of \$12,000 for public safety purposes, and the County of Watauga received a \$94,000 Violence Against Women program grant.



Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

In Watauga County, the Watauga County Government received a grant of \$390,000 to improve sewer systems. The U.S. Forest Service and the National Park Service contracted for more than \$110,000 in improvements to public lands.



Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

In Watauga County, the Watauga County Government received an SEP grant of \$40,931 to for a landfill gas to energy project at the Watauga County Landfill. Uses of the electricity generated include: an animal shelter and an arts education center. Waste thermal energy and landfill gas will be used to heat a greenhouse complex. Appalachian State University received an SEP grant of \$485,859 to place 32 interns and 10 fellows who will provide experiences in energy-related businesses or organizations. Appalachian State University Energy Center in Boone will receive an SEP grant of \$2.6 million to focus on site-built single-family and multi-family home energy efficiency improvements.



Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

Watauga County residents received \$8.4 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$1.4 million in SNAP benefit increases, and \$1.9 million in one-time payments of \$250 to social security recipients.

Watauga County Feature Story

Appalachian State University Advances the Green Workforce with Recovery Funds

Some of the many goals of the American Recovery and Reinvestment Act are to establish the foundation for the American 21st Century green economy, create new industries, and help people find new jobs. To this end, the federal Department of Energy funded several initiatives to promote energy efficiency, alternative energy, and to reduce American dependence on foreign oil.

The Department of Energy granted a portion of their Recovery funds to the North Carolina Department of Energy, within the North Carolina Department of Commerce, around \$100 million for various energy programs.

In order to help foster the North Carolina green economy and workforce development, the North Carolina State Energy office developed a program to place interns and fellows at state and local government offices, universities, non-profits, and businesses across North Carolina.



Appalachian State University has a long history in supporting conservation, and forward thinking initiatives. ASU received several Recovery-funded grants to study environmental impacts, such as soil erosion and groundwater contamination. They also received a \$2.5 million grant from the State Energy Office to develop single and multi-family home energy efficiency improvements.

ASU also participated in the green economy workforce development program. Using Recovery funds granted by the North Carolina State Energy Office, the university placed 32 interns and 10 fellows in energy related businesses and organizations. One of the beneficiaries of this green energy workforce development effort was Rio Tazewell.

Rio Tazewell graduated in 2010 from Appalachian State University with a degree in Sustainable Development and Political Science. ASU was a participant in the workforce development program, and Rio became a N.C. Energy Office Fellow working with the Appalachian Institute for Renewable Energy. The institute is a non-profit organization, based in Boone, N.C. working with community-based organizations, helping them develop renewable energy systems to advance the mission of increasing renewable energy operations in the Appalachian community.

During his fellowship, Tazewell helped create and implement a program to make community-owned renewable energy projects a reality through the use of tax credits and financial incentives. One project placed a solar electric system on the roof of a green office space in Boone. The "Greenhouse," was completely financed by community members. These solar panels create 300-320 kWh of electricity per month and reduce atmospheric CO₂ emissions by 3.2 tons.

"My role in the planning process consisted of conceptualizing how to reach audiences that could potentially become clients, and then also actively reaching out to such clients, donors, and strategic partners," Tazewell said. Because of his work as a fellow, Tazewell's position was made permanent. He is currently working to develop and manage the outreach and education program and assisting the Appalachian Institute for Renewable Energy in its implementation of Community Owned Renewable Energy projects.

Appendix, Watauga County breakout

Federal Agency	Program Title	Recipient name	Recipient role ⁱ	Prime Amount ⁱⁱ	Unique Sub Awards ⁱⁱⁱ	Loans	Additional Economic Activity (not counted toward totals) ^{iv}
	Bonds		P			\$1,351,726.00	
	Cash for Clunkers		S		\$819,000.00		
	Federal Pell Grant Program	Appalachian State University	P				
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$3,208,962.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$1,471,476.61		
Department of Education	Federal Work-Study Program	Appalachian State University	P	\$77,910.00		\$0.00	\$77,910.00
Department of Energy	Weatherization Assistance for Low-Income Persons	Modern Toyota Of Boone	SV	\$0.00	\$27,095.61	\$0.00	
				\$0.00	\$27,095.61	\$0.00	
Department of Health and Human Services	Aging Congregate Nutrition Services for States	Watauga Project On Aging	SV	\$0.00	\$0.00	\$0.00	
	Aging Home-Delivered Nutrition Services for States	Watauga Project On Aging	SV	\$0.00	\$0.00	\$0.00	
Department of Justice	Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	North Carolina Administrative Office Of The Courts	P	\$248,325.00		\$0.00	\$248,325.00
	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	Boone, Town Of	P	\$12,596.00		\$0.00	\$0.00
	Violence Against Women Formula Grants	Watauga, County Of	S	\$0.00	\$94,123.56	\$0.00	
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$8,485,853.61		
Environmental Protection Agency	Capitalization Grants for Clean Water State	Watauga, County Of	S	\$0.00	\$390,860.00	\$0.00	

	Revolving Funds					
Forest Service	No CFDA for Contract type awards	Winter Sun Construction LLC	P	\$41,889.00		\$0.00 \$41,889.00
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P			\$0.00 \$14,500.00
National Energy Technology Laboratory	State Energy Program	Appalachian State University	S	\$0.00	\$3,874,785.15	\$0.00
National Park Service.	No CFDA for Contract type awards	Waters Brothers Construction Co Of Boone Inc	P	\$68,607.00		\$0.00 \$0.00
National Science Foundation	Trans-NSF Recovery Act Reasearch Support	Appalachian State University	P	\$182,953.00		\$0.00 \$182,953.00
				\$43,495.00		\$0.00 \$43,495.00
				\$79,959.00		\$0.00 \$0.00
				\$79,959.00		\$0.00 \$0.00
				\$88,810.00		\$0.00 \$88,810.00
Office of Elementary and Secondary Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Appalachian State University	S	\$0.00	\$24,866,245.00	\$0.00
		Two Rivers Community School	S	\$0.00	\$85,327.00	\$0.00
		Watauga County Schools	S	\$0.00	\$2,502,865.00	\$0.00
	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Watauga County Schools	S	\$0.00	\$248,868.00	\$0.00
	Title I Grants to Local Educational Agencies, Recovery Act	Watauga County Schools	S	\$0.00	\$334,836.00	\$0.00
Office of Special Education and Rehabilitative Services	Special Education - Preschool Grants, Recovery Act	Watauga County Schools	S	\$0.00	\$33,907.00	\$0.00
	Special Education Grants to States, Recovery Act	Two Rivers Community School	S	\$0.00	\$14,066.26	\$0.00
		Watauga County Schools	S	\$0.00	\$871,602.92	\$0.00
Small Business Administration	Loans	A Kelly's	L			\$44,500.00
		Boone Heating And Air Conditio	L			\$25,000.00
		Carolina Timberworks LLC	L			\$61,500.00

		Clark Unlimited Properties, LI	L		\$50,000.00			
		Close Encounters Of The Furry	L		\$35,000.00			
		David W. Linzey, Dvm Db	L		\$50,000.00			
		High Country Cycles Inc	L		\$85,000.00			
		Mountain Laurel Family Practic	L		\$1,500,000.00			
		Photography By Tommy White LLC	L		\$25,000.00			
		Sears Of Boone	L		\$783,600.00			
SSA	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$1,905,000.00			
Grand Total					\$924,503.00	\$46,053,007.33	\$7,220,288.00	\$697,882.00

ⁱ Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

ⁱⁱ Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to www.federalreporting.gov

ⁱⁱⁱ Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

^{iv} Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.